

Goldray Mines Limited

Annual Report



For the Year Ended April 30, 1967

GOLDRAY MINES LIMITED

Suite 202 - 220 Bay Street
TORONTO 1, ONTARIO

Directors' Report

TO THE SHAREHOLDERS:

Enclosed herewith you will find Notice of Annual Meeting which is to be held in the New Brunswick Room, Royal York Hotel, 100 Front Street West, Toronto, Ontario on Wednesday, October 11th, 1967 at 11.00 a.m. The Financial Statements for the year ended April 30, 1967 are also enclosed.

Your Company together with Consolidated Morrison Explorations Limited jointly own 124 claims in the Blind River area of Ontario. A contract for an airborne geophysical survey consisting of Electro-magnetic, Magnetometer and Gamma Ray has been let. It is expected that this work will be completed shortly.

A lead silver prospect covering 60 claims in the Yukon was investigated with the result that some interesting values were encountered. The terms of the option required a substantial down payment and considering the nature of the terrain your Directors decided that these factors did not warrant further expenditures and the option was allowed to lapse.

The Company's Red Lake property is being kept in good standing and there have been no further discussions with Cochenour Willans who appear to have met with some recent difficulties.

A large columbium deposit has been indicated by diamond drilling located on a concession granted by the Ontario Department of Mines in the James Bay area of Northern Ontario, in which Goldray Mines Limited holds a 7.5% interest. This deposit has been drilled off over a strike length of some 2400 feet — the drilling being carried out on sections at 200-foot intervals. A total of some 44,000 feet of diamond drilling has been completed on the deposit, which indicated a tonnage potential of some 80,000 tons per vertical foot grading approximately .52% Cb_2O_5 .

A detailed market study has been carried out by Battelle Memorial Institute of Columbus, Ohio, on both the present and future market outlook for columbium concentrates. This study indicated an expanding world market for columbium and its various alloys, and a particularly attractive position for high-grade concentrates which metallurgical testwork to date indicates may be produced from this deposit.

A contract has recently been signed to cover the completion of a test shaft through the overburden and some 100 feet of crosscutting in the deposit. This is to evaluate the relative economics of open pit or underground mining of the deposit, and to supply some 250 tons of crude ore which will be utilized to complete large scale pilot plant testing and also to provide firm criteria for plant design and engineering. Soils consultants will be present during this shaft sinking phase of the operation to obtain detailed engineering characteristics on the overburden.

The contractor is now currently involved in movement of his equipment to the site. To facilitate the movement of equipment from Moosonee into the site and removal of some 250 tons of crude ore, a tote road is currently being constructed from the deposit, along the banks of the South Bluff Creek to the Moose River. Barge transportation is available from the mouth of the South Bluff Creek to Moosonee. It is expected that this tote road will be completed within the next week.

The metallurgical testwork completed on the diamond drill core, to date, has indicated the type of flow sheet required to produce an acceptable high-quality concentrate. The pilot plant treatment of the 250 tons of crude ore will provide sufficient quantity of concentrate which will be available for potential consumers to evaluate.

The present development schedule will provide the bulk sample for large scale pilot plant testing early in the new year. These results, in conjunction with the detailed information on the overburden characteristics, will be utilized to complete the feasibility study. It is expected that this study will be completed by mid-1968, which will permit firm production decisions to be made some time thereafter.

Additional diamond drilling is planned, both on other areas within the three concessions and on certain after acquired ground. This drilling will further evaluate additional geophysical anomalies and will be initiated early in the new year.

Recently the Company sold to Denison Mines Limited for investment 300,000 treasury shares for \$195,000.00.

The receipt of this new financing together with previously available funds has placed the Company in a better position to continue its participation in the James Bay Columbian project and allow the Company to examine and undertake exploration ventures of merit.

On behalf of the Board of Directors,

MURRAY AXMITH,
President.

September 22, 1967.

GOLDRAY MI

(Incorporated Under the Law of Ontario)

Balance Sheet as at April 30, 1967

(With comparative figures for 1966)

ASSETS		1967	1966
CURRENT ASSETS			
Cash	\$	22,237.69	\$ 5,369.62
Deposit receipts		25,000.00	50,000.00
Due from brokers		498.00	1,043.39
Sundry receivable		852.00	770.00
Performance bond (Government of Canada) lodged with Department of Mines, Ontario re exploratory license — James Bay Lowlands		25,000.00	25,000.00
	\$	73,587.69	\$ 82,183.01
INVESTMENT IN OTHER COMPANIES			
Listed shares — at cost (market value 1967 — \$116,062.50; 1966 — \$132,750.00)	\$	107,896.11	\$ 108,001.11
Unlisted shares — nominal value		1.00	1.00
Investment in shares of Midray Minerals Limited — at cost (no quoted market value)		27,158.31	27,158.31
Investment in shares of other mining companies — at cost (no quoted market value)		4,995.00	4,995.00
	\$	140,050.42	\$ 140,155.42
INTEREST IN PROSPECTING SYNDICATES	\$	8,293.81	\$ 8,293.81
HEAD OFFICE FURNITURE AND FIXTURES		1,242.50	1,242.50
MINING PROPERTIES			
Acquired for \$14,309.00 cash (1966 — \$11,790.00 cash) and 626,623 shares of capital stock		472,832.80	470,313.80
EXPLORATION AND DEVELOPMENT, INCLUDING HEAD OFFICE AND ADMINISTRATIVE EXPENSES			
BALANCE, May 1		629,620.51	624,138.05
ADD: Expenditures for year ended April 30		10,039.66	5,482.46
BALANCE, April 30	\$	639,660.17	\$ 629,620.51
INCORPORATION AND ORGANIZATION			
	\$	3,784.88	\$ 3,784.88
	\$	1,339,452.27	\$ 1,335,593.93

To be read in conjunction with the Auditors' Report

AUDITORS' REPORT

We have examined the accompanying balance sheet as at April 30, 1967 of Goldray Minerals Limited, including head office and administrative expenses for the year ended April 30, 1967, and such tests of accounting records and other supporting evidence as we considered necessary.

In our opinion, the accompanying balance sheet and the related statement of administrative expenses present fairly the financial position of the company as at April 30, 1967, and the changes in the working capital of the company for the year ended April 30, 1967, with generally accepted accounting principles applied on a basis consistent with that of the company.

Our examination also included the accompanying statement of source and application of funds, which, in our opinion, presents fairly the changes in the working capital of the company for the year ended April 30, 1967.

Toronto, Ontario,
July 24, 1967.

MINES LIMITED

(Incorporated in the Province of Ontario)

April 30, 1967

(as at April 30, 1966)

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES	1967	1966
Accounts payable and accrued liabilities	\$ 16,369.82	\$ 12,536.48
Due to shareholders re 1942 distribution on realization of capital assets	10,120.31	10,120.31
	<u>\$ 26,490.13</u>	<u>\$ 22,656.79</u>
SHAREHOLDERS' EQUITY		
CAPITAL STOCK		
AUTHORIZED		
5,000,000 shares of \$1.00 par value each		
ISSUED AND FULLY PAID		
2,528,931 shares	\$ 2,528,931.00	\$ 2,528,931.00
LESS: Discount	1,116,573.58	1,116,573.58
	<u>\$ 1,412,357.42</u>	<u>\$ 1,412,357.42</u>
DEFICIT ACCOUNT — as per attached statement	\$ 99,395.28	\$ 99,420.28
	<u>\$ 1,312,962.14</u>	<u>\$ 1,312,937.14</u>

Approved on behalf of the Board of Directors:

M. AXMITH, Director.

B. E. WILLOUGHBY, Director.

<u>\$ 1,339,452.27</u>	<u>\$ 1,335,593.93</u>
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Shareholders attached hereto dated July 24, 1967.

THE SHAREHOLDERS

Dray Mines Limited and the related statement of deficit account and statement of assets and liabilities as at April 30, 1967, have been examined by the auditor of the company, who has considered necessary in the circumstances.

Dray Mines Limited and the related statement of deficit account and statement of assets and liabilities as at April 30, 1967 and the results of its operations for the year ended on that date, in accordance with the provisions of the Companies Act, 1967, have been examined by the auditor of the company, who has considered necessary in the circumstances.

Dray Mines Limited and the related statement of deficit account and statement of assets and liabilities as at April 30, 1967, have been examined by the auditor of the company, who has considered necessary in the circumstances.

Respectfully submitted,

SOUPCOFF, STARKMAN, KRAFT & CO.,
Chartered Accountants.

GOLDRAY MINES LIMITED

STATEMENT OF DEFICIT ACCOUNT FOR THE YEAR ENDED APRIL 30, 1967

(With comparative figures for the year ended April 30, 1966)

	1967	1966
BALANCE AT DEBIT — May 1	\$ 99,420.28	\$ 99,913.28
ADD: Interest in Prospecting Syndicate written-off	—	300.00
	<u>\$ 99,420.28</u>	<u>\$100,213.28</u>
LESS: Profit on sale of investments	25.00	793.00
BALANCE AT DEBIT — April 30	<u><u>\$ 99,395.28</u></u>	<u><u>\$ 99,420.28</u></u>

STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED APRIL 30, 1967

(With comparative figures for the year ended April 30, 1966)

	1967	1966
SOURCE OF FUNDS		
Sale of listed shares	\$ 4,865.00	\$ 794.00
	<u><u>\$ 4,865.00</u></u>	<u><u>\$ 794.00</u></u>
APPLICATION OF FUNDS		
Acquisition of mining claims	\$ 2,519.00	\$ 4,290.00
Purchase of listed shares	4,735.00	3,847.50
Purchase of shares of other mining company	—	3,570.00
Exploration and development, including head office and administrative expenses	10,039.66	5,482.46
	<u><u>\$ 17,293.66</u></u>	<u><u>\$ 17,189.96</u></u>
Decrease in working capital	\$(12,428.66)	\$(16,395.96)
Working capital — beginning of year	59,526.22	75,922.18
WORKING CAPITAL — END OF YEAR	<u><u>\$ 47,097.56</u></u>	<u><u>\$ 59,526.22</u></u>

GOLDRAY MINES LIMITED

STATEMENT OF EXPLORATION AND DEVELOPMENT INCLUDING HEAD OFFICE AND ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED APRIL 30, 1967

(With comparative figures for the year ended April 30, 1966)

	<u>1967</u>	<u>1966</u>
EXPLORATION AND DEVELOPMENT		
PROVINCE OF ONTARIO		
Taxes and licenses	\$ 1,010.10	\$ 805.81
Wages	300.00	300.00
Insurance	200.00	200.00
Field expenses	—	70.56
James Bay Lowlands Project expenditures	4,099.89	—
	<u>\$ 5,609.99</u>	<u>\$ 1,376.37</u>
LESS: Rentals received	547.40	647.00
	<u>\$ 5,062.59</u>	<u>\$ 729.37</u>
HEAD OFFICE AND ADMINISTRATION		
Office salaries	\$ 2,426.68	\$ 2,400.00
Office rent	2,100.00	1,825.00
Legal and audit	1,030.00	1,681.85
Directors' fees	1,400.00	1,450.00
Administrative salary	1,200.00	1,200.00
Telephone	910.24	848.48
Office supplies and expenses	781.58	787.22
Transfer agents' fees and expenses	999.13	737.72
Travelling expense	705.00	683.00
Printing and shareholders' information	661.03	639.86
Taxes and filing fees	532.66	506.11
	<u>\$12,746.32</u>	<u>\$12,759.24</u>
LESS: Interest income	\$ 3,473.25	\$ 4,184.15
Dividend income	4,296.00	3,822.00
	<u>\$ 7,769.25</u>	<u>\$ 8,006.15</u>
	<u>\$ 4,977.07</u>	<u>\$ 4,753.09</u>
TOTAL EXPLORATION DEVELOPMENT AND ADMINISTRATIVE EXPENSES	<u><u>\$10,039.66</u></u>	<u><u>\$ 5,482.46</u></u>

GOLDRAY MINES LIMITED

CAPITALIZATION

	Authorized	Issued
Common Shares	5,000,000	2,828,931

OFFICERS AND DIRECTORS

DIRECTORS

K. B. ANDRAS	Toronto, Ontario
MURRAY AXMITH	Toronto, Ontario
E. B. McCONKEY	Toronto, Ontario
WALTER R. PACKMAN	Port Credit, Ontario
B. E. WILLOUGHBY	Toronto, Ontario

OFFICERS

MURRAY AXMITH	President
K. B. ANDRAS	Vice-President
WALTER R. PACKMAN	Secretary-Treasurer

TRANSFER AGENTS

Guaranty Trust Company of Canada

EXECUTIVE OFFICES

Suite 202, 220 Bay St., Toronto